

House Bill 1509

By: Representative Jamieson of the 22nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, so
2 as to change certain provisions regarding notification of coverage termination; to change
3 certain provisions regarding notice of insurance issuance, renewal, or termination; to change
4 certain provisions regarding insurance requirements for operation of motor vehicles
5 generally; to provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, is amended
9 by striking subsections (a) and (b) of Code Section 40-2-137, relating to notification of
10 coverage termination, and inserting in their place new subsections (a) and (b) to read as
11 follows:

12 "(a) As used in this Code section, the term:

13 (1) 'Commercial vehicle policy' means a policy of motor vehicle liability insurance
14 insuring a motor vehicle that is rated or insured as a business use or commercial use
15 vehicle or is licensed by the state as a commercial vehicle.

16 (2) 'Fleet policy' means a commercial vehicle policy that insures two or more vehicles
17 ~~that are not identified~~ on and after July 1, 2004, shall be required to be identified
18 individually by vehicle identification number on the policy or a commercial policy that
19 is subject to adjustment by audit for vehicle changes at the end of the policy period.

20 (3) 'Lapse' means one or more days upon which the records of the department do not
21 reflect that a motor vehicle was covered by a policy of minimum motor vehicle insurance
22 coverage.

23 (4) 'Minimum motor vehicle insurance coverage' means minimum coverage as specified
24 in Chapter 34 of Title 33.

1 (5) 'Proof of minimum insurance coverage' means the receipt from an insurer by the
 2 department of notice of such insurance coverage by electronic transmission or other
 3 means approved by the department.

4 (6) 'Terminate' or 'termination' means actual cessation of insurance coverage after the
 5 date upon which coverage will not be restored for any reason, including without
 6 limitation cancellation, nonrenewal, and nonpayment of premium and without regard to
 7 whether such cessation was preceded by any extension or grace period allowed by the
 8 insurer.

9 (b)(1) After receipt of notification of coverage termination, if the department does not,
 10 on or before the effective date of such termination, receive notice from an insurer that
 11 new minimum motor vehicle insurance coverage for such motor vehicle has been issued,
 12 the department shall send a notice to the owner of the motor vehicle stating that the
 13 department has been informed of the fact of the coverage termination and informing the
 14 owner of the penalties provided by law. The department shall send such notice to the
 15 address of the owner of the motor vehicle shown on the records of the department. The
 16 mailing of such notice by the department to the address of the owner of the motor vehicle
 17 as shown on the records of the department shall be deemed conclusively to be notice to
 18 such owner of such owner's duty to maintain the required minimum insurance coverage
 19 and the possible penalties and consequences for failing to do so and shall be deemed to
 20 satisfy all notice requirements of law and no further notice to the owner shall be required
 21 for the suspensions and revocations provided for in this Code section.

22 (2) It shall be the duty of the owner of such motor vehicle to obtain minimum motor
 23 vehicle insurance coverage and it shall be the duty of the owner's insurer to provide proof
 24 of such coverage to the department within 30 days of the date of such notice, pursuant to
 25 the requirements of subparagraph (b)(1)(A) of Code Section 40-5-71. If the vehicle is
 26 covered by a fleet policy, the owner's insurer shall ~~not~~ be required to provide such proof
 27 to the department by electronic means."

28 SECTION 2.

29 Said title is further amended by striking subsections (a) and (b) of Code Section 40-5-71,
 30 relating to notice of insurance issuance, renewal, or termination, and inserting in their place
 31 new subsections (a) and (b) to read as follows:

32 "(a) As used in this Code section, the term:

33 (1) 'Commercial vehicle policy' means a policy of motor vehicle liability insurance
 34 insuring a motor vehicle that is rated or insured as a business use or commercial use
 35 vehicle or is licensed by the state as a commercial vehicle.

1 (2) 'Fleet policy' means a commercial vehicle policy that insures two or more vehicles
2 that ~~are not identified~~ on and after July 1, 2004, shall be required to be identified
3 individually by vehicle identification number on the policy or a commercial policy that
4 is subject to adjustment by audit for vehicle changes at the end of the policy period.

5 (3) 'Owner' shall have the same meaning given in paragraph (.2) of subsection (a) of
6 Code Section 40-2-21.

7 (4) 'Terminate' or 'termination' means actual cessation of insurance coverage for any
8 reason, including without limitation cancellation, nonrenewal, or nonpayment of
9 premium, and without regard to whether such cessation was preceded by any extension
10 or grace period allowed by the insurer.

11 (b)(1)(A) For purposes of aiding in the enforcement of the requirement of minimum
12 motor vehicle liability insurance, any insurer issuing or renewing in this state any
13 policy of motor vehicle liability insurance required by Chapter 34 of Title 33 ~~other than,~~
14 including a fleet policy, shall within 30 days after the date the insurance agent binds the
15 coverage or on the date such coverage was renewed, whichever is applicable, provide
16 notice of such insurance coverage by electronic transmission to the department; except
17 that once coverage data has been electronically transmitted to the department, there
18 shall be no requirement to report on subsequent renewals of that coverage. Insurance
19 coverage information included in such notice of issue or renewal shall be limited
20 exclusively to name of insurer; vehicle identification number; the make and year of the
21 insured motor vehicle; and policy effective date. The department shall not require the
22 policy limits to be disclosed for purposes of this subparagraph. For the purposes of this
23 Code section, the vehicle identification number shall be the vehicle identification
24 number as that number is shown in the records of the department. For the purposes of
25 this Code section, the Commissioner of Insurance shall furnish such notices to the
26 department upon issuance of a certificate of self-insurance.

27 (B) In cases in which the minimum motor vehicle insurance coverage required by
28 Chapter 34 of Title 33 terminates, the insurer shall by electronic transmission notify the
29 department of such coverage termination on or before the date coverage ends or, if
30 termination is at the request of the insured, then on the date such request is processed
31 by the insurer. Insurance coverage termination information included in such notice shall
32 include vehicle identification number and the date of coverage termination. For the
33 purposes of this Code section, the Commissioner of Insurance shall furnish such notices
34 to the department upon termination of a certificate of self-insurance.

35 (C) The commissioner shall notify the Commissioner of Insurance quarterly of any and
36 all violations of the notice requirements of this paragraph by any insurer, and the
37 Commissioner of Insurance may take appropriate action against such insurer the same

1 as is authorized by Code Section 33-2-24 for violations of Title 33; provided, however,
 2 that there shall be no private cause of action against an insurer or the department for
 3 civil damages for providing information, failing to provide information, or erroneously
 4 providing information pursuant to this Code section. No insurer shall utilize the costs
 5 of any audit or examination conducted by the Insurance Department pursuant to this
 6 paragraph as a cost of business in the insurer's rate base. The department shall
 7 commence the reports provided for in this Code section beginning January 1, 2004.

8 (D) The reports required of insurers and the Commissioner of Insurance shall ~~not~~
 9 apply to any vehicle for which the vehicle coverage is provided by a fleet policy.

10 (2) The department shall prescribe the form and manner of electronic transmission for
 11 the purposes of insurers sending the notices required by this Code section which shall in
 12 no way be construed as modifying the provisions of Code Section 33-24-45.

13 (3) Notwithstanding the provisions of paragraph (1) of this subsection, any irregularities
 14 in the notice to the department required by paragraph (1) of this subsection shall not
 15 invalidate an otherwise valid termination.

16 (4) The minimum liability insurance records which the department is required to
 17 maintain under this Code section or any other provision are exempt from the provisions
 18 of any law of this state requiring that such records be open for public inspection;
 19 provided, however, that the records of any particular motor vehicle may be available for
 20 inspection by any law enforcement officer for official law enforcement investigations, the
 21 insurer of record, and the owner of the vehicle in the manner prescribed by the
 22 commissioner."

23 SECTION 3.

24 Said title is further amended by striking Code Section 40-6-10, relating to insurance
 25 requirements for operation of motor vehicles generally, and inserting in its place a new Code
 26 Section 40-6-10 to read as follows:

27 "40-6-10.

28 (a)(1) Until December 31, 2003, the owner or operator of a motor vehicle for which
 29 minimum motor vehicle liability insurance coverage is required under Chapter 34 of Title
 30 33 shall keep proof or evidence of required minimum insurance coverage in the vehicle
 31 at all times during the operation of the vehicle. The owner of a motor vehicle shall
 32 provide to any operator of such vehicle proof or evidence of required minimum insurance
 33 coverage for the purposes of compliance with this subsection.

34 (2) The following shall be acceptable proof of insurance on a temporary basis:

35 (A) If the policy providing such coverage was applied for within the last 30 days, a
 36 current written binder for such coverage for a period not exceeding 30 days from the

1 date such binder was issued shall be considered satisfactory proof or evidence of
2 required minimum insurance coverage;

3 (B) If the vehicle is operated under a rental agreement, a duly executed vehicle rental
4 agreement shall be considered satisfactory proof or evidence of required minimum
5 insurance coverage; and

6 (C) If the owner acquired ownership of the vehicle within the past 30 days, if the type
7 of proof described in subparagraph (A) of this paragraph is not applicable but the
8 vehicle is currently effectively provided with required minimum insurance coverage
9 under the terms of a policy providing required minimum insurance coverage for another
10 motor vehicle, then a copy of the insurer's declaration of coverage under the policy
11 providing such required minimum insurance coverage for such other vehicle shall be
12 considered satisfactory proof or evidence of required minimum insurance coverage for
13 the vehicle, but only if accompanied by proof or evidence that the owner acquired
14 ownership of the vehicle within the past 30 days.

15 (2.1) If the vehicle is insured under a fleet policy as defined in Code Section 40-2-137
16 providing the required minimum insurance coverage or if the vehicle is engaged in
17 interstate commerce and registered under the provisions of Article 3A of Chapter 2 of this
18 title, the insurance information card issued by the insurer shall be considered satisfactory
19 proof of required minimum insurance coverage for the vehicle only until June 30, 2004.
20 On and after July 1, 2004, the requirement under this Code section that proof or evidence
21 of minimum liability insurance be maintained in a fleet vehicle at all times during the
22 operation of the fleet vehicle shall not apply to the owner or operator of any fleet vehicle
23 for which the records or data base of the Department of Motor Vehicle Safety indicates
24 that required minimum insurance coverage is currently effective.

25 (2.2) If the vehicle is insured under a certificate of self-insurance issued by the
26 Commissioner of Insurance providing the required minimum insurance coverage under
27 which the vehicle owner did not report the vehicle identification number to the
28 Commissioner of Insurance, the insurance information card issued by the Commissioner
29 of Insurance shall be considered satisfactory proof of required minimum insurance
30 coverage for the vehicle, but only if accompanied by a copy of the certificate issued by
31 the Commissioner of Insurance.

32 (3) On and after January 1, 2004, the requirement under this Code section that proof or
33 evidence of minimum liability insurance be maintained in a motor vehicle at all times
34 during the operation of the vehicle shall not apply to the owner or operator of any vehicle
35 for which the records or data base of the Department of Motor Vehicle Safety indicates
36 that required minimum insurance coverage is currently effective.

1 (4) Except as otherwise provided in paragraph (7) of this subsection, any person who
2 fails to comply with the requirements of this subsection shall be guilty of a misdemeanor
3 and, upon conviction thereof, shall be subject to a fine of not less than \$200.00 nor more
4 than \$1,000.00 or imprisonment for not more than 12 months, or both.

5 (5) Every law enforcement officer in this state shall determine if the operator of a motor
6 vehicle subject to the provisions of this Code section has the required minimum insurance
7 coverage every time the law enforcement officer stops the vehicle or requests the
8 presentation of the driver's license of the operator of the vehicle.

9 (6) If a law enforcement officer of this state determines that the owner or operator of a
10 motor vehicle subject to the provisions of this Code section does not have proof or
11 evidence of required minimum insurance coverage, the arresting officer shall issue a
12 uniform traffic citation for operating a motor vehicle without proof of insurance. If the
13 court or arresting officer determines that the operator is not the owner, then a uniform
14 traffic citation may be issued to the owner for authorizing the operation of a motor
15 vehicle without proof of insurance.

16 (7) If the person receiving a citation under this subsection shows to the court having
17 jurisdiction of the case that required minimum insurance coverage was in effect at the
18 time the citation was issued, the court may impose a fine not to exceed \$25.00. The court
19 shall not in this case forward a record of the disposition of the case to the department and
20 the driver's license of such person shall not be suspended.

21 (8)(A) For purposes of this Code section up to and including December 31, 2003, a
22 valid insurance card shall be sufficient proof of insurance for any vehicle.

23 (B) For purposes of this Code section ~~on and after January 1, 2004~~, prior to July 1, 2004, a
24 valid insurance card shall be sufficient proof of insurance only for any vehicle covered
25 under a fleet policy as defined in Code Section 40-5-71. The insurance card for a fleet
26 policy shall contain at least the name of the insurer, policy number, policy issue or
27 effective date, policy expiration date, and the name of the insured and may, but shall
28 not be required to, include the year, make, model, and vehicle identification number of
29 the vehicle insured.

30 (C) For any vehicle covered under a policy of motor vehicle liability insurance that is
31 not a fleet policy as defined in Code Section 40-5-71, the insurer shall issue a policy
32 information card which shall contain at least the name of the insurer, policy number,
33 policy issue or effective date, policy expiration date, name of the insured, and year,
34 make, model, and vehicle identification number of each vehicle insured; and on and
35 after January 1, 2004, the owner or operator of the motor vehicle shall keep such policy
36 information card in the vehicle at all times during operation of the vehicle for purposes
37 of Code Section 40-6-273.1, but any such policy information card shall not be sufficient

1 proof of insurance for any purposes of this Code section except as otherwise provided
2 in this Code section.

3 (b) An owner or any other person who knowingly operates or knowingly authorizes
4 another to operate a motor vehicle without effective insurance on such vehicle or without
5 an approved plan of self-insurance shall be guilty of a misdemeanor and, upon conviction
6 thereof, shall be subject to a fine of not less than \$200.00 nor more than \$1,000.00 or
7 imprisonment for not more than 12 months, or both. An operator of a motor vehicle shall
8 not be guilty of a violation of this Code section if such operator maintains a policy of motor
9 vehicle insurance which extends coverage to any vehicle the operator may drive. An owner
10 or operator of a motor vehicle shall not be issued a citation by a law enforcement officer
11 for a violation of this Code section if the sole basis for issuance of such a citation is that
12 the law enforcement officer is unable to obtain insurance coverage information from the
13 records of the department.

14 (c) Any person who knowingly makes a false statement or certification under Code
15 Section 40-5-71 or this Code section shall be guilty of a misdemeanor and, upon conviction
16 thereof, shall be subject to a fine of not less than \$200.00 nor more than \$1,000.00 or
17 imprisonment for not more than 12 months, or both.

18 (d) Except for vehicles insured ~~under a fleet policy as defined in Code Section 40-2-137~~
19 ~~or~~ under a plan of self-insurance approved by the Commissioner of Insurance, insurance
20 coverage information from records of the department shall be prima-facie evidence of the
21 facts stated therein and shall be admissible as evidence in accordance with Code Section
22 24-3-17 for the purposes of this Code section.

23 (e) The minimum liability insurance data base of the department shall be operational for
24 the purposes of testing, evaluation, verification of data, and validation of accuracy not later
25 than November 1, 2002, and shall be fully operational not later than January 1, 2004."

26 SECTION 4.

27 All laws and parts of laws in conflict with this Act are repealed.